Technical Group on Market Integrity submits Report

June 4, 2002

In the light of recent international developments and recognising the need for a critical assessment of India's position vis-à-vis international standards on market integrity, the Standing Committee in the Reserve Bank of India commissioned an internal technical group on 'Market Integrity'. It may be recalled that Standing Committee on International Financial Standards and Codes was constituted in December 1999 under the Chairmanship of Dr.Y.V. Reddy, Deputy Governor, Reserve Bank of India with Secretary (Economic Affairs), Government of India as Alternate Chairman in order to identify and monitor developments in global standards and codes, consider aspects of applicability of these standards to Indian financial system, periodically review the status and make available its Reports to all concerned organisation in public or private sector.

The Report on Market Integrity, authored by three senior officials of the Reserve Bank (Shri C.R. Muralidharan, Dr. Himanshu Joshi and Smt. Indrani Banerjee) was submitted to the Chairman of the Standing Committee on May 30, 2002.

The Report provides an assessment of India's position with respect to G-7 principles on Market Integrity and Recommendations of the Financial Action Task Force (FATF) on anti-money laundering and terrorist financing which serve as the benchmark in this regard. The Report also provides an overview of international efforts to combat money laundering, briefly reviews the existing laws and regulations for the purposes of detection and law enforcement against criminal activities in financial sector, and notes the recent initiatives taken for prevention of money laundering.

In accordance with the terms of reference of the Standing Committee, it has been decided to make the Report available to the public for wider discussion. The full text of the Report of the Technical Group on "Market Integrity" has been placed on the RBI website www.rbi.org.in

The recommendations contained in this Report are the product of independent evaluation and assessment of standards and codes and do not reflect the views of the Reserve Bank or the Government of India or any other concerned regulatory agencies.

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Press Release No. 2001-2002/1337